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Testimony of

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Chairman Walsh, Ranking Member Edwards, distinguished members of the subcommittee, I welcome the opportunity to share with you how Navy Medicine is taking care of our nation's Sailors, Marines, and their families.

As our nation continues to fight the Global War on Terror, Navy Medicine will meet the health care needs of our beneficiaries, active duty, military retirees, and eligible family members. These efforts reflect our continued commitment to our primary mission -- Force Health Protection. The components of Force Health Protection are: 1) preparing a healthy and fit force; 2) deploying medical personnel to protect our warriors in the battlefield; 3) restoring health on the battlefield; 4) providing care to our retired warriors through TRICARE for Life; and 5) providing world-class health care for all beneficiaries.

Priorities

To meet the needs of those entrusted to our care, Navy Medicine established five priorities to meet our unique dual mission. That dual mission is first, to support and protect our operational forces while working in concert with the Chief of Naval Operations' and Commandant's vision for the Navy-Marine Corps team, and second, provide health care to their family members and retirees.

1. Readiness

Readiness is the most important priority. To be ready, Navy Medicine must be responsive, aligned and agile with the operational forces. We need to have the right people with the right capabilities ready to deploy in support of the Navy-Marine Corps team.

In the current operations, Navy Medicine made significant advancements in the health care provided by First Responders and improved surgical access during the critical “golden hour.” In addition to improving health care after traumatic battlefield injuries, Navy Medicine is also curbing infectious disease outbreaks, decreasing occupational injuries, and providing preventive medicine and mental health care services.

An outstanding example of Navy Medicine’s more capable, flexible and responsive force is the creation of the Expeditionary Medical Facility (EMF). These facilities, with similar capabilities as Fleet Hospitals, are lighter and more mobile and can be set up within 48 hours. EMFs may be used independently or in combination with the theater’s joint health system for evacuation, medical logistics, medical reporting, and other functions, which ensure better interoperability with the Army and the Air Force. The flexibility of EMFs continue to evolve to meet operational requirements and provide robust medical care for major conflicts, low-intensity combat, operations other than war, and disaster/humanitarian relief operations.

We are also expanding the role of Navy Medicine on the battlefield with the 1,000 Sailors either deployed overseas or preparing to deploy with Maritime Force Protection Command units. These Sailors receive a half-day in training from doctors and hospital corpsmen in how to use special medical kits. These “Point of Injury” kits contain items like an easy to use tourniquet, a specialized compression bandage, QuikClot (a product designed to stop bleeding), antibiotic and pain medications. These kits are designed for self-care or buddy care in the minutes before a corpsman arrives on the scene.

The Global War on Terror has challenged us to broaden our view of medical readiness. Our Military Treatment Facilities (MTF) are prepared to respond to any contingency, to provide expert health care to casualties returning from theater, and be ready to support the Nation's needs in collaboration with the National Disaster Medical System. Navy Medicine launched three major initiatives to meet the needs of disaster preparedness focused on staff, supplies and systems.

Using the Strategic National Stockpile as a model, we are planning for additional equipment to enhance the capabilities of local MTFs. We developed a successful multi-service online medical and emergency management educational tool, as well as an Emergency Management Program Readiness Course that has become the DoD Medical training standard. The Disaster Preparedness, Vulnerability Analysis Program (DVATEX) was developed to evaluate military, federal, and local community responsiveness. This program goes beyond assessing MTF threat vulnerability and capability assessment; it also provides training in medical and operational management.

Collaboration with other organizations, including other federal and civilian agencies, is essential for effective and efficient disaster response. A local example of this type of collaboration is taking place at the National Naval Medical Center in Bethesda, Maryland. Because of its proximity to the National Capital Region, the National Naval Medical Center established a disaster preparedness and response coalition with the National Institutes of Health and Suburban Hospital Healthcare System in Bethesda. Recently, they conducted a joint disaster drill involving Montgomery County and municipal emergency response organizations and other members of the local area hospital network.

Delivering a more fit and healthy force, mitigating the risk of injury or illness, and providing more effective resuscitation of battlefield casualties will enhance Navy Medicine's readiness and ability to prosecute the Global War on Terror. Medical research and development are a critical enabler of this effort. Our research investments allow us to transform into a defensive weapon system that will promote health and fitness, protect people from injury and disease, and effectively reduce, manage and rehabilitate casualties. In addition, these research investments and capabilities help Navy Medicine respond to the current and future needs of the Fleet and Fleet Marine Force.

Navy scientists conduct basic, clinical, and field research directly related to military requirements and operational needs. Current studies focus on the efficacy trials for blood substitutes to treat combat casualties; new treatment modalities for musculoskeletal injuries and acute acoustic barotrauma; and solutions for the emerging threats of combat stress, among others. Our medical research laboratory facilities equal those at modern academic and industrial institutions. Beyond this capacity, a number of these laboratories have unique test equipment and specialized software for pursuing research on current and projected biomedical problems. Also, research is supported in other Navy laboratories as well as in partnership with the Army and Air Force and with other Federal agencies.

Research in non-government laboratories is promoted through an active collaborative research and technology transfer program that develops cooperative research and development agreements with universities and private industry to ensure that research products from our laboratories benefit the entire country. Navy-supported

medical research efforts have influenced the civilian practice of medicine, assisted the Ministries of Health in developing nations, and provided technology for other Federal initiatives.

Our overseas research facilities are national assets serving the strategic interests of the regional Combatant Commander and the local Ambassador. They bring unique surveillance capabilities and advanced laboratory capabilities to areas where infectious diseases are a significant threat to our personnel. These capabilities were recently leveraged in the tsunami relief effort in Banda Aceh. In addition to supporting the mission of Force Health Protection, the overseas labs are strategic partners in promoting Theater Security Cooperation. Lastly, they are developing a new alliance with the Centers for Disease and Control to further that agency's efforts in mitigating the risk that emerging infectious diseases pose to the health of our citizens and our economy.

2. Quality, Economical Health Services

Navy Medicine's second priority is providing quality, cost-effective health services. While focusing on quality health care, Navy Medicine has recognized the need to provide the best possible health care within our resource constraints. Through careful business planning, Navy Medicine aligned MTF operations to focus on the preservation of health, and the prevention of disease and injury. Recently, the Naval Health Clinic in Pearl Harbor instituted a new Individual Health Readiness (IHR) program. The goal of this program is to ensure each Pearl Harbor Sailor is healthy and mission-ready. It was established to build and improve total Navy Regional Hawaii health readiness in response to a growing number of shore and sea Sailors deploying.

The IHR program ensures each Sailor has an up-to-date health assessment to determine deployment limiting conditions, dental readiness, immunization status, lab studies and individual medical equipment needs to ensure the command's level of health readiness – both dental and medical – is 95 percent or better.

An enterprise focused on quality must understand what products or services have value to its customers and the metrics used to measure the delivery of quality health care. In meeting quality standards, Navy Medicine must take into consideration regulatory compliance requirements, the working environment, as well as evaluating the patients' experience.

The many faces of quality provide us with multiple opportunities to evaluate health care delivery. One area is to create a fit force, which translates into improved Medical Readiness for our warriors, while also ensuring a highly trained and ready Medical team to provide compassionate quality care for the wounded, injured, or sick. In addition, Navy Medicine has designated a Combat Operational Stress Consultant to serve as the Navy and Marine Corps subject matter expert on combat and operational stress. This consultant will allow Navy Medicine increased oversight and further development of prevention and mental health care efforts for our military personnel.

On the patient side, we established a family-centered care program to enhance patient safety, health, cost efficiency and patient and staff satisfaction. We are currently working with the TRICARE Management Activity and the other services to ensure that the program is widely available. In addition, we have coordinated our efforts with other related entities within Navy Medicine, such as the Perinatal Advisory Board, to optimize our efforts.

Increased cooperation and collaboration with our federal health care partners is essential in providing quality care. As an extension of our ability to care for our patients, Navy Medicine's partnership with Veterans Affairs medical facilities continues to grow and develop into a mutual beneficial partnership. Although not directly related to the Military Health System, it is imperative that Navy Medicine strengthens its relationship with the Department of Veterans Affairs. This begins with the seamless transfer of care for injured service members to the VA and includes sharing resources to optimize our efforts and not duplicate services.

The care for Sailors and Marines who transfer to and receive care from a VA facility while convalescing is coordinated through the VA Seamless Transition Coordinator. This full time VA staff member is co-located at National Naval Medical Center and interacts with OEF/OIF Points of Contact at each VA Medical Center so a direct transfer for inpatient and outpatient care is coordinated. The Seamless Transition Program was created by former Veterans' Affairs Secretary Principi specifically to address the logistical and administrative barriers for active duty service members transitioning from military to VA-centered care.

Although recently-wounded Sailors and Marines differ from the VA's traditional rehabilitation patient in age and extent or complexity of injury, Navy Medicine and the VA must adapt to meet their needs. In the past, patients were admitted to the VA's rehabilitation service with multiple clinical services addressing individual requirements. To enhance continuity, clinical outcomes, and improved family support, National Naval Medical Center physicians now remain as the Case Managers through the transition process. Currently, weekly teleconferences to review Bethesda transfer patients are

conducted with primary transfer sites, such as the VA Medical Center in Tampa, Florida. In addition to site visits and teleconferences, Navy Medicine will continue to coordinate with other facilities, forge relationships, share best practices, and enhance delivery to all of our patients. This level of interaction and cooperation will need to continue at every level to ensure the care of our wounded warriors is never compromised.

With regard to the sharing of resources, the level of sharing between DoD and VA health care activities has improved. Navy Medicine supports Commanding Officers who pursue sharing and collaboration with VA facilities in their communities. In fact, Navy Medicine currently manages 28 medical agreements and 45 dental agreements through the Military Medical Support Office (an office that coordinates health care for active duty members who are stationed in remote areas without local Military Medical Treatment Facilities).

Some of these agreements represent efforts to consolidate support functions for the medical facilities. However, other more comprehensive examples of resource-sharing efforts between the agencies include: the Navy Blood Program at Naval Hospital Great Lakes which uses the North Chicago Veterans Affairs Medical Center spaces to manufacture blood products in exchange for blood products, precluding the need for Navy to build a new blood center at Naval Hospital Great Lakes; and the DoD/VA Federal Pharmacy Executive Steering Committee (FPESC) which was charted to oversee joint agency contracts involving high dollar and high volume pharmaceuticals designed to increase uniformity and improve the clinical and economic outcomes of drug therapy in both systems.

Navy Medicine is also partnering or planning to partner with the VA in five hospital /ambulatory care center construction projects. Naval Hospital Pensacola is working with the VA on a joint-venture outpatient medical care facility; Naval Hospital Charleston has a future VA construction start for a Consolidated Medical Clinic (CMC) aboard Naval Weapons Station Charleston, SC; Naval Hospital Great Lakes is considering Joint Ambulatory Care Clinic adjacent to the North Chicago Veterans Affairs Medical Center's main facility; Naval Hospital Guam is considering a project where the VA would accept an adjacent site to construct a small freestanding community-based outpatient clinic from Navy; and Naval Hospital Beaufort is also considering a future project with the VA.

Guided by Navy Medicine leadership, last year each MTF developed a comprehensive business plan focused on meeting operational readiness requirements while improving population health. These plans emphasize such areas as improved contingency planning, pharmacy management, clinical productivity, implementation of evidence-based medicine, advanced access, seamless referral management for beneficiaries. Navy Medicine is currently in the process of creating a system that will allow MTF commanders to monitor their performance in these areas so they can better balance measures of operational readiness, customer satisfaction, internal efficiency and human capital development.

Beginning in the early 1990's Navy Dentistry began consolidating its command suites from 34 commands to 15. The cost savings included the elimination of redundant officer, enlisted and civilian support personnel formerly involved in the administration of the separate command infrastructure. In 2004, Navy Dentistry again consolidated 15

commands into three. The primary objective of the most recent dental consolidation was to integrate Dental Commands with the larger MTF command suite in the shared geographical area to eliminate more than 90 duplicate administrative functions– all of this was accomplished without adverse impact on the dental health care delivered and in a manner that is transparent to the customers. The remaining three commands are the Dental Battalions supporting the Fleet Marine Force.

As Navy Medicine strives to obtain long-term value through disease prevention and increased quality of life, each MTF business plan includes a preventive health initiative with the goal of exceeding national measures of breast health promotion, long-term asthma management and control of diabetes. Our leadership developed guidelines for these Navy-wide efforts and created tools to monitor performance in these areas. Next year, we plan to expand our efforts to address obesity, lack of exercise and tobacco use; with the goal of reducing the risk of long-term disabling illnesses.

Finally, another critical component of providing quality care requires that Navy Medicine be an active participant in the implementation of the new TRICARE contracts. Although the TRICARE benefit structure remains the same, there have been changes in program administration which are intended to make health care delivery more customer-focused and support better coordination between MTFs and civilian provider networks. Organizational changes implemented to support the new business environment include the disestablishment of Lead Agents and the establishment of three TRICARE Regional Offices (TRO) aligned with the regional contracts in the United States -- North, South, West. Each of the Services was responsible for providing a Flag/General Officer or

Senior Executive Service civilian dedicated for a TRO Director position: Army-North, Air Force-South, Navy-West. The Navy has named RADM Nancy Lescavage as the second TRO Director. RADM Lescavage is relieving retiring RADM James Johnson in June 2005.

3. Shaping Tomorrow's Force

The Navy and Marine Corps are reshaping the fighting force by defining future requirements, including the medical requirements of the warfighters. As a result, Navy Medicine's third priority – Shaping Tomorrow's Force – focuses on recruiting, training, and retaining the best uniformed members we need to match manpower to force structure to combat capability. This is an important piece of the Department of the Navy's more comprehensive Human Capital Strategy.

Navy Medicine is quickly transforming in concert with the Navy and Marine Corps to provide medical support to the fighting forces as they adapt to the changing nature of global warfare, including emerging missions such as: humanitarian operations, regional maritime security, providing care for detainees, and homeland defense – all of which place additional requirements on shaping the force of the future. Our uniformed personnel will participate in increasingly complex joint environments and move efficiently between forward deployed settings and fixed facilities ashore. We must be proficient and productive at the right cost.

A recent example of the Navy Medicine's flexibility in engaging in a humanitarian mission would be the rapid response to the earthquake and tsunamis that struck the Indian Ocean. Within days, USS ABRAHAM LINCOLN and USS BONHOMME RICHARD were en route to assist those in need. U.S. helicopters from LINCOLN and

from BONHOMME RICHARD Expeditionary Strike Group, afloat in the Indian Ocean, proved invaluable in delivering relief supplies to remote areas. After the carrier strike group left, one of the Navy's hospital ships, the USNS MERCY, took over the mission and deployed with a robust medical capability and support services appropriate for disaster relief. The ship offered shipboard health services and sea-based support to a variety of military and civilian support agencies, including U.S. non-government organizations, involved in the relief effort. In addition, Sailors from the Navy Environmental Preventive Medicine Unit out of Pearl Harbor worked on improving sanitation and holding down mosquito populations, and nurse trainers from the ship went ashore and conducted classes on patient care.

Currently, Navy Medicine is deployed afloat and ashore in five geographic regions, providing preventive medicine, combat medical support, health maintenance, medical intelligence and operational planning. This operational tempo, along with the nature of casualties from Operations Enduring and Iraqi Freedom, has created new demands for medical personnel in terms of numbers and types of specialties needed. As a result, Navy Medicine analyzed the uniformed and civilian communities of medical and dental providers to ensure it is meeting operational requirements as efficiently as possible.

In order to meet the transformation requirements, the uniformed and civilian personnel composition of some Navy medical specialties will change in the near future. For example, over 1,700 non-readiness related military positions are being converted into civilian positions in 2005. We want to ensure operational requirements are fulfilled by uniformed personnel-while determining those functions that can be performed by

civilian or contractor personnel. Our intent is not to eliminate positions, but rather to reduce the utilization of active duty personnel performing non-readiness functions.

A key component of Shaping Tomorrow's Force is the quality and innovative delivery of education and training provided to medical personnel. Streamlining our education and training assets has served us well as Navy Medicine embraces new technologies and methods of learning. These new technologies will have a profound impact upon quality of training and in saving money and time. By maximizing the use of remote-learning capabilities, Navy Medicine ensures that medical personnel have access to the right training at the right time. Also, we continue to study the value of advanced simulation training for our health care providers. By introducing simulated patients into the training curriculum, medical personnel are able to practice skills in an environment that will prepare them for real world situations.

4. One Navy Medicine: Active and Reserve

Navy Medicine is one team. It is comprised of tremendously capable individuals – Active Duty, Reserve and Civilian. We must seamlessly integrate the talents and strengths of our entire workforce to accomplish our dual mission -- Force Health Protection and quality health care to our beneficiaries.

One of our goals is to better utilize the expertise of our Reserve force by increasing integration with the active duty component. We no longer have separate Active and Reserve fleet hospitals, but one fleet hospital system where Reservists work side-by-side with active duty personnel. The establishment of these Operational Health Support Units (OHSU) has created increased cooperation and collaboration between

both components. In addition, consolidation of dental units into the OHSUs has been done to mirror changes implemented by Navy Medicine's active component.

Reservists comprise 20 percent of Navy Medicine's manpower resources and their seamless integration with our active duty force is a major priority in achieving our "One Navy Medicine" concept. Since the beginning of Operation Iraqi Freedom, over 3,700 Reservists have been activated to be forward deployed or to meet the needs of MTFs whose active duty personnel were deployed. In addition, the Navy's Expeditionary Medical Facility Dallas deployed earlier this year to Kuwait with 382 people, 366 of which were Reservists.

Through an innovative Medical Reserve Utilization Program (MEDRUP), Navy Medicine's headquarters assumes operational control of medical Reservists called to active duty. They are selected using an information system that manages over 6,000 Navy medical Reservists and matches personnel to requirements based on qualifications, availability and criteria. This system has proven indispensable in employing Reservists in support of the Global War on Terror.

Finally, with regard to the Reserve Component, Navy Medicine provides physical and dental services to the Navy's Reserve Force (71,500) and Marine Corps Reserve (37,734) personnel in support of individual medical readiness – a critical component prior to mobilization.

5. Delivery of Joint Defense Health Services

Navy Medicine's final priority addresses how we jointly operate with the Army and Air Force. Ideally, all U.S. medical personnel on the battlefield-regardless of service affiliation – should have the same training, use the same communications

system and operate the same equipment because we are all there for the same reason – to protect our fighting forces. It should not matter whether the casualty is a Soldier, a Sailor, an Airman or a Marine. The individual should receive the same care, and service medical personnel should be trained similarly to provide this same level of care. Along with the Army and the Air Force, Navy Medicine is actively pursuing the concept of standardized operating procedures to ensure consistency of health care and interoperability of our medical forces through a Unified Medical Command. As a Unified Medical Command, the mission of our separate medical departments could implement reductions to the internal costs of executing our missions while providing a framework of interoperability among the services.

Mr. Chairman, Navy Medicine has risen to the challenge of providing a comprehensive range of services to manage the physical and mental health challenges of our brave Sailors and Marines, and their families, who have given so much in the service of our nation. We have opportunities for continued excellence and improvement, both in the business of preserving health and in the mission of supporting our deployed forces, while at the same time protecting our citizens throughout the United States.

I thank you for your tremendous support to Navy Medicine and look forward to our continued shared mission of providing the finest health services in the world to America's heroes and their families – those who currently serve, those who have served, and the family members who support them.